

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
NEW ALBANY DIVISION

IN RE: ) CASE NO. 10-93904-BHL-11  
          )  
EASTERN LIVESTOCK CO., LLC, ) Hon. Basil H. Lorch, III  
          )  
          Debtor. )  
          )

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**RESPONSE OF ALABAMA LIVESTOCK AUCTION, INC. AND SEALY AND SON IN  
OPPOSITION TO TRUSTEE'S OBJECTION TO CLAIMS 504 AND 503**

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COME NOW Claimant ALABAMA LIVESTOCK AUCTION, INC. ("Alabama") and Claimant SEALY & SON ("Sealy"), by and through undersigned counsel, and file this *Response Of Alabama Livestock Auction, Inc. And Sealy And Son In Opposition To Trustee's Objection To Claims 504 And 503* and states as follows:

1. The Trustee filed objections to Claim No. 503 and 504 on April 19, 2013 providing thirty (30) days in which to respond. The thirty (30) day period ran yesterday, May 19, 2013, a Sunday, this response is timely.
2. The Trustee's Objection To Claim 504 ("Doc. 2062") seeks an order disallowing Claim 504 pursuant to 11 U.S.C. §502(d). Alabama is Defendant in a preference action, Case No. 12-59129, and the Trustee seeks to stay action on the claim pending outcome of the adversary proceeding.
3. The Trustee's Objection To Claim 502 ("Doc. 2112") seeks an order disallowing Claim 503 alleging Sealy has no direct claim against Debtor and that the claim is, if anything a duplicate of Alabama's claim 504. The Trustee seeks to expunge Claim 503.

4. Claimant Alabama's Claim No. 504 was originally part Claim No. 82 filed by its affiliate Sealy & Son which owned part of the unpaid cattle in question and sold them through the Alabama auction market. Sealy & Son originally filed Claim No. 82 on March 9, 2011 for a total amount of \$155,669.96 which consisted of the amounts for two (2) checks—Nos. 123230 in the amount of \$106,052.94 for 139 head and 124980 in the amount of \$49,597.28 for 56 head.<sup>1</sup> See Exhibit A. Both dishonored checks were made payable to Alabama Livestock Auction, Uniontown, AL.

5. Claimant Alabama and Sealy & Son subsequently amended their claim filings on or about April 29, 2011 with separate claims: (i) Claim No. 503 in name of Sealy & Son for \$106,062.94 for the 139 head with an extra \$10.00 for health papers for the cattle; and (ii) Claim No. 504 in name of Alabama Livestock Auction, Inc. for \$49,597.28 for the 56 head. Exhibits B and C.

6. Contrary to assertions by the Trustee, Claim No. 503 is not a duplicate of Claim No. 504 but simply a more accurate identification of the loss to the unpaid producer in the case of Sealy (\$106,062.94 for 139 head) and to the unpaid consignee in the case of Alabama \$49,597.28 for 56 head for which Fifth Third Bank dishonored two (2) Eastern checks, Nos. 123230 and 124980. The amounts of the two (2) claims by Sealy and Alabama are different but the combined amount of the two (2) claims totals \$155,660.22 which with \$9.74 for the overnight express charge equates to the amount of Claim No. 82 or again \$155,669.96.

7. To expunge Claim 503 as suggested by the Trustee is entirely improper. The record is clear that Alabama Livestock received both dishonored checks, and the loss was and is

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<sup>1</sup> The difference between the total amount of Claim No. 82 and the sum of the two (2) dishonored checks includes \$10.00 for health papers and \$9.74 overnight express charges.

real. The Trustee seek to expunge one claim while staying another based upon an adversary proceeding without offering any explanation of the relationship between the separate entities and the claims. Only Claimant Alabama is a Defendant in an adversary proceeding over an alleged preference. It matters not to the bankruptcy estate or to Claimant Alabama and Claimant Sealy whether the claims are treated separately or consolidated, so long as the amount is properly considered to include both dishonored checks and attendant direct costs. The question before the Court in each claim involves common questions of law and fact and will no doubt be ultimately resolved in the adversary proceeding.

8. Lastly, it should be noted that both the transactions in question for which Alabama and Sealy have asserted claims were transactions “cleared” by E4 Cattle for whom Eastern was the registered “Clearing Agency.” This question of law and fact remain to be determined by this Court and any action regarding the claims being asserted must properly await that determination.

WHEREFORE for the reasons outlined above, Claimants Alabama Livestock Auction, Inc. and Sealy & Son respectfully request that Claim No. 503 and 504 be consolidated and that both matters be stayed pending determination of adversary proceeding No. 12-59129.

Respectfully submitted this 20<sup>th</sup> day of May 2013,

W. SCOTT NEWBERN, PL

/s/ Walter Scott Newbern

W. Scott Newbern  
2982 East Giverny  
Tallahassee, FL 32309  
(T) 850.591.1707  
(F) 850.8940871  
[wsnewbern@msn.com](mailto:wsnewbern@msn.com)

COUNSEL FOR CLAIMANTS

**CERTIFICATE OF SERVICE**

I hereby certify that on this 20<sup>th</sup> day of May 2013, a copy of the foregoing was filed electronically. Notice of this filing will be sent to all parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

/s/ W. Scott Newbern

W. SCOTT NEWBERN

# **Exhibit A**

B10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT Southern District of Indiana		PROOF OF CLAIM
Name of Debtor: Eastern Livestock Co., LLC  2011 MAR -2 AM 11:43	Case Number: 10-93904	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>SEALY AND SON</b>	<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.	
Name and address where notices should be sent: <b>SEALY AND SON 700 HIGHWAY 80 E UNIONTOWN, AL 36786</b>	Court Claim Number: _____ (If known)	
Telephone number: <b>(334) 628-2391</b>	Filed on: _____	
Name and address where payment should be sent (if different from above):	<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
Telephone number:	<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <b>155 669.96</b>	<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a).</b> If any portion of your claim falls in one of the following categories, check the box and state the amount.	
If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.	Specify the priority of the claim.	
If all or part of your claim is entitled to priority, complete item 5.	<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).	
<input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).	
<b>2. Basis for Claim:</b> <b>Non-payment of cattle</b> (See instruction #2 on reverse side.)	<input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).	
<b>3. Last four digits of any number by which creditor identifies debtor:</b> _____	<input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).	
<b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a on reverse side.)	<input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).	
<b>4. Secured Claim</b> (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.	<input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)_____.  <b>Amount entitled to priority:</b> _____	
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe:  Value of Property: \$ _____ Annual Interest Rate ____ %	\$ _____	
Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____		
Amount of Secured Claim: \$ _____ Amount Unsecured: \$ <b>155 669.96</b>		
<b>6. Credits:</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		
<b>7. Documents:</b> Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)	  <i>*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>	
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.		
If the documents are not available, please explain:		
Date: <b>3-1-11</b>	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <b>Brenda Sealy, Treasurer</b>	FOR COURT USE ONLY

*Penalty for presenting fraudulent claim:* Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

FOR COURT USE ONLY

*\*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

If the documents are not available, please explain:

**Date:** 3-1-11 **Signature:** The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address

If the documents are not available, please explain:

Date 7-1-15 Signature: The person filing

person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. *Brenda Dealy*.

**FOR COURT USE ONLY**

**Penalty for presenting fraudulent claim:** Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C.

ENVELOPE NOT PROVIDED  
 COPIES NOT PROVIDED

**ALABAMA  
LIVESTOCK  
AUCTION**



P.O. BOX 279 UNIONTOWN, ALABAMA 36786

## LIVESTOCK CONTRACT

THIS CONTRACT made this 26 day of October, 2010 by and between Scott Weeks of Weeks Farm, hereinafter known as Seller, and Grant G. Brown of Eastern LIVSTK, hereinafter known as Buyer.

The Seller hereby sells and agrees to deliver to Buyer, or his order, the following described livestock:

No.	Description	Price	Brand	Approx. Wt. At Delivery
1	Steers	103.50		860

All cattle are to be sound and in merchantable condition and free of any contagious disease. With a \_\_\_\_\_ % cut back, after all stags, crippled, lump-jawed, bad-eyed, or otherwise unmerchantable cattle have been taken out; this cut back to be made by Buyer at

Additional provisions: ★ 3% shrink

4¢ slide

Seller shall notify Buyer 7 days in advance of actual delivery date.

To the best of Seller's knowledge these cattle while under Seller's ownership or control have been handled in compliance with the Food and Drug Administration's ban of feeding identified mammalian derived protein materials to ruminant animals (21 CFR Part 589).

This contract contains the entire agreement between Buyer and Seller and cannot be varied orally. It shall be binding on the respective heirs, legal representative, successors and assigns of the parties.

All Seller agrees to furnish all necessary State and Federal inspection certificates.

All are to be delivered free of all encumbrances and with a clear title.

Delivery is to be made on or about immediate buyer's (seller's) option, F.O.B. in sound merchantable condition at Scott Weeks' pen.

HEAD COUNT PRESENTED TO BUYER AFTER UNMERCHANTABLE CATTLE ARE CUT OFF SHALL NOT VARY 5% FROM NUMBER OF CATTLE ON CONTRACT. ANY VARIANCE IN EXCESS OF 5% SHALL BE SETTLED AT

## ALABAMA LIVESTOCK AUCTION, INCORPORATED - UNIONTOWN, ALABAMA

DATE	PEN	BUYER	PRICE	SELLER NUMBER	NUMBER OF HEAD	WEIGHT
	29455	Eastern	103.50	Scott Weeks	3% shrink 1 head stars slide 4/9	850 260 lbs

**First Bank of Linden**  
FOUNDED 1904



LINDEN, ALABAMA 36748

ALABAMA LIVESTOCK  
AUCTION INC  
P O BOX 279  
UNIONTOWN, ALABAMA  
36786

Date 11/12/2010

The item(s) listed below were presented for credit but have been  
returned for the reason indicated. Please update your  
records accordingly.

Account Holder: Eastern Livestock Co., LLC

Amount: \$49597.28

Reason: REFER TO MAKER

\*061000146\*  
11/12/2010  
6611162447

This is a LEGAL COPY of  
your check. You can use it  
the same way you would  
use the original check.

RETURN REASON - S  
REFER TO MAKER

**REFER TO MAKER**

10421015481119		No 124980	RECEIVED 11/12/2010
10421015481119		155 West Market New Albany, IN 47150 812-644-8035	5TH Third Bank
10421015481119		DATE CHECK NO.	AMOUNT
10421015481119		11/12/01 124980	***49,597.28
ALABAMA LIVESTOCK AUCTION BOX 279 UNIONTOWN, AL 36786			
124980 0042100279 7480493779			

124980 4042100279 7480493779 00004959728

POST OFFICE BOX 481119 • LINDEN, ALABAMA 36748 • TELEPHONE (334) 295-8741

**ALABAMA  
LIVESTOCK  
AUCTION**



P.O. BOX 279 UNIONTOWN, ALABAMA 36786  
LIVESTOCK CONTRACT

THIS CONTRACT made this 3 day of August, 2010 by and between Sealy & Son of Uniontown, hereinafter known as Seller, and Grant Gibson of Eastern Livestock, hereinafter known as Buyer.

The Seller hereby sells and agrees to deliver to Buyer, or his order, the following described livestock:

No.	Description	Price	Brand	Approx. Wt. At Delivery
2	49000-50000 Touds Steers	108.35		700

All cattle are to be sound and in merchantable condition and free of any contagious disease. With a \_\_\_\_\_% cut back, after all stags, crippled, lump-jawed, bad-eyed, or otherwise unmerchantable cattle have been taken out; this cut back to be made by Buyer at

Additional provisions: 2% Shrink

4% Slide

Seller shall notify Buyer 7 days in advance of actual delivery date.

To the best of Seller's knowledge these cattle while under Seller's ownership or control have been handled in compliance with the Food and Drug Administration's ban of feeding identified mammalian derived protein materials to ruminant animals (21 CFR Part 589).

This contract contains the entire agreement between Buyer and Seller and cannot be varied orally. It shall be binding on the respective heirs, legal representative, successors and assigns of the parties.

All Seller agrees to furnish all necessary State and Federal inspection certificates.

All are to be delivered free of all encumbrances and with a clear title.  
Delivery is to be made on or about Oct. 13-18 buyer's (seller's) option, F.O.B. in sound merchantable condition at Alabama Livestock.

PLEASE DETACH THIS PORTION BEFORE DEPOSITING CHECK

**No 124980**

CHECK NUMBER: 124980 CHECK DATE: 10/11/01 CHECK AMOUNT: 49,597.28  
101029 56H @ 48059# 00005 49,597.28

**EASTERN LIVESTOCK CO., LLC**

# FIRST BANK OF LINDEN



FOUNDED 1904

LINDEN, ALABAMA 36748

Date

11/10/2010

ALABAMA LIVESTOCK  
P O BOX 279  
UNIONTOWN, AL 36786

The item(s) listed below were presented for credit but have been returned for the reason indicated. Please update your records accordingly.

Account Holder: ALABAMA LIVESTOCK AUCTION INC

Amount: \$106052.94

Reason: NSF

\*061000146\*  
11/10/2010  
6215215682

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

RETURN REASON - S  
REFER TO MAKER

NSF

REFER TO MAKER

3958675480000270 11/10/2010

<b>LE</b> <b>ASTERN</b> <b>LIVESTOCK CO., LLC</b>	PAY TO THE ORDER OF	DATE	CHECK NO.	AMOUNT
	ALABAMA LIVESTOCK AUCTION BOX 279 UNIONTOWN, AL 36786	10/10/26	123230	**106,052.94
SIGNATURE <i>[Signature]</i>				
N# 123230# 60421002726 7480493779#				

N# 123230#

60421002726

7480493779#

0010605294,

## **Exhibit B**

B10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT Southern District of Indiana		PROOF OF CLAIM
Name of Debtor: Eastern Livestock Co., LLC	Case Number: 10-93904	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): SEALY AND SON	<input type="checkbox"/> Check this box to indicate that this claim <b>U.S. BANKRUPTCY COURT</b> <b>NEW ALBANY, INDIANA</b> Court Claim Number: _____ <i>(If known) APR 29 2011</i>	
Name and address where notices should be sent: SEALY AND SON 700 HIGHWAY 80 E UNIONTOWN, AL 36786	RECEIVED  MAY 06 2011  BMC GROUP	SOUTHERN DISTRICT OF INDIANA KEVIN P. DEMPSEY, CLERK FILED:
Telephone number: (334) 628-2371	<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
Name and address where payment should be sent (if different from above):  Sealy & Son Livestock P.O. Box 279 Uniontown, AL 36786 Telephone number: (334) 628-2371	<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: \$ 106,062.94	<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.</b>  Specify the priority of the claim.  <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).  <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).  <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).  <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).  <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a) _____.	
2. Basis for Claim: <u>Worthless Check - non-payment for 139 steers</u> (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: _____		
3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.	Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____	
Value of Property: \$ _____ Annual Interest Rate %		
Amount of attorney and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____		
Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credit: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)		
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.		
If the documents are not available, please explain: _____		
Date: 4-6-11	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <i>Brenda D. Sealy Brenda S. Sealy</i>	
Eastern Livestock  00503		
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.		

\*Amounts are subject to adjustment on 4/1/13  
and every 3 years thereafter with respect to  
cases commenced on or after the date of  
adjustment.



# FIRST BANK OF LINDEN

FOUNDED 1904

LINDEN, ALABAMA 36748

Date 11/10/2010

ALABAMA LIVESTOCK  
P O BOX 279  
UNIONTOWN, AL 36786

The item(s) listed below were presented for credit but have been  
returned for the reason indicated. Please update your  
records accordingly.

Account Holder: ALABAMA LIVESTOCK AUCTION INC

Amount: \$106052.94

Reason: NSF

\*061000146\*  
11/10/2010  
6215215682

This is a LEGAL COPY of  
your check. You can use it  
the same way you would  
use the original check.

RETURN REASON - S  
REFER TO MAKER

NSF

REFER TO MAKER

395867548000270		DATE	CHECK No.	AMOUNT
10/10/25		123230		**106,052.94
<p>LE<sup>E</sup>ASTERN LIVESTOCK CO., LLC PAY TO THE ORDER OF 135 West Market New Albany, OH 47150 614-463-3025</p> <p>ALABAMA LIVESTOCK AUCTION BOX 279 UNIONTOWN, AL 36786</p> <p>123230M 60421002720 7480493779M</p> <p>Staub</p>				

POST OFFICE BOX 481119 • LINDEN, ALABAMA 36748 • TELEPHONE (334) 295-8741

**ALABAMA  
LIVESTOCK  
AUCTION**



(334) 628-2371  
(334) 628-2381

P.O. BOX 279 UNIONTOWN, ALABAMA 36786

LIVESTOCK CONTRACT

THIS CONTRACT made this 3 day of August, 2010 by and between Sealy & Son of Uniontown, hereinafter known as Seller, and Grant Gibson of Eastern Livestock, hereinafter known as Buyer.

The Seller hereby sells and agrees to deliver to Buyer, or his order, the following described livestock:

No.	Description	Price	Brand	Approx. Wt. At Delivery
2	49000-50000 1000 lbs steers	108.35		700

All cattle are to be sound and in merchantable condition and free of any contagious disease. With a \_\_\_\_\_ % cut back, after all stags, crippled, lump-jawed, bad-eyed, or otherwise unmerchantable cattle have been taken out; this cut back to be made by Buyer at

Additional provisions: 2% Shrink

44 sides

Seller shall notify Buyer 7 days in advance of actual delivery date.

To the best of Seller's knowledge these cattle while under Seller's ownership or control have been handled in compliance with the Food and Drug Administration's ban of feeding identified mammalian derived protein materials to ruminant animals (21 CFR part 589).

This contract contains the entire agreement between Buyer and Seller and cannot be varied orally. It shall be binding on the respective heirs, legal representatives, successors and assigns of the parties.

Seller agrees to furnish all necessary State and Federal inspection certificates.

ll are to be delivered free of all encumbrances and with a clear title.

Delivery is to be made on or about Oct. 13-18 buyer's (seller's) option, F.O.B. in sound merchantable condition at Alabama Livestock.

ALABAMA LIVESTOCK AUCTION, INCORPORATED - UNIONTOWN, ALABAMA

Oct. 13-18

700 lbs

WEIGHT

40  
140  
2 100 shes.  
S. S. S.  
L. L. L.

NUMBER OF HEAD

Sealy & Son  
SELLER NUMBER

108.35  
PRICE

Custom  
Buyer

PEN

13978

DATE

WEIGHER



# ALABAMA LIVESTOCK AUCTION, INC.

BOX 279

**UNIONTOWN, ALABAMA 36786**

PHONE A/C 205-628-2371

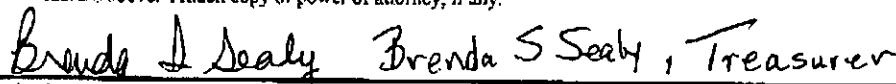
10-23-10

SOLD TO

SOLD TO Pasture & Livestock

# Exhibit C

B 10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT		PROOF OF CLAIM
Name of Debtor: <u>Easter Livestock Co, LLC</u>	Case Number:	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <u>Alabama Livestock Auction Inc</u>	<input type="checkbox"/> Check this box to indicate that this claim is based on a copy filed <b>U.S. BANKRUPTCY COURT</b> <b>NEW ALBANY, INDIANA</b> Court Claim Number: <u>APR 29 2011</u>	
Name and address where notices should be sent: <u>Alabama Livestock Auction Inc</u> P.O. Box 279 Uniontown AL 36786	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
Telephone number: <u>(334) 628-2381</u>	<b>MAY 06 2011</b> <b>BMC GROUP</b> <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
Name and address where payment should be sent (if different from above):	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
Telephone number:	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: <u>\$ 49,997.28</u>	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
2. Basis for Claim: <u>Northless Check - Non-payment for 56 steers</u> (See instruction #2 on reverse side.)	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
3. Last four digits of any number by which creditor identifies debtor: _____	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
4a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.  Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
Value of Property: \$ _____ Annual Interest Rate: _____ %	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)	<b>RECEIVED</b> <b>SOUTHERN DISTRICT OF INDIANA</b> <b>KELVIN DEMPSEY CLERK</b> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.		
If the documents are not available, please explain: _____		
Date <u>4/6/11</u>	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.	
 <i>Brenda S Sealy, Treasurer</i>		FOR COURT USE ONLY
		Eastern Livestock
		Barcode
		00504

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 1571.



# FIRST BANK OF LINDEN

FOUNDED 1904

LINDEN, ALABAMA 36748

ALABAMA LIVESTOCK  
AUCTION INC  
P O BOX 279  
UNIONTOWN, ALABAMA  
36786

Date 11/12/2010

The item(s) listed below were presented for credit but have been returned for the reason indicated. Please update your records accordingly.

FILED  
U.S. BANKRUPTCY CT.  
NEW ALBANY DIVISION

**Account Holder:** Eastern Livestock Co., LLC

**Amount:** \$49597.28

**Reason:** REFER TO MAKER

\*061000146\*  
11/12/2010  
6611162447

This is a **LEGAL COPY** of  
your check. You can use it  
the same way you would  
use the original check.

RETURN REASON - S  
REFER TO MAKER

## **REFER TO MAKER**

 <b>EASTERN LIVESTOCK CO., LLC</b>	<b>No 124980</b> <small>1027 421</small>
<b>PAY TO THE ORDER OF</b>	
<b>ALABAMA LIVESTOCK AUCTION</b> <b>BOX 279</b>	
<b>UNIONTOWN, AL 36786</b>	
<b>135 West Market</b> <b>New Albany, IN 47150</b> <b>812-949-9035</b>	
 <b>Fifth Third Bank</b> Metairie Kentucky	
<b>DATE</b> <b>10/11/01</b>	<b>CHECK NO.</b> <b>124980</b>
<b>AMOUNT</b> <b>***49,597.28</b>	
<i>open</i> <b>SIGNATURE</b>	
<b>124980 10421002720 2480493779</b>	

124980

460421003230

24801-93328

•0004959728

# ALABAMA LIVESTOCK AUCTION



(334) 628-2371  
(334) 628-2381

P.O. BOX 279 UNIONTOWN, ALABAMA 36786

## LIVESTOCK CONTRACT

THIS CONTRACT made this 26 day of October, 2010 by and between Scott Weeks of Weeks Farm, hereinafter known as Seller, and Covenant Gibson of Eastern Lusk, hereinafter known as Buyer.

The Seller hereby sells and agrees to deliver to Buyer, or his order, the following described livestock:

Seller hereby cons and agrees to deliver to Buyer, or his order, the following described livestock:				
No.	Description	Price	Brand	Approx. Wt. At Delivery
10rd	Steers	103.50		860

All cattle are to be sound and in merchantable condition and free of any contagious disease. With a \_\_\_\_\_% cut back, after all stags, crippled, lump-jawed, bad-eyed, or otherwise unmerchantable cattle have been taken out; this cut back to be made by Buver at

Additional provisions:

~~☆ 3% shrink ☆~~

it's slide

**Seller shall notify Buyer 7 days in advance of actual delivery date.**

To the best of Seller's knowledge these cattle while under Seller's ownership or control have been handled in compliance with the Food and Drug Administration's ban of feeding identified mammalian derived protein materials to ruminant animals (21 CFR Part 589).

This contract contains the entire agreement between Buyer and Seller and cannot be varied orally. It shall be binding on the respective heirs, legal representative, successors and assigns of the parties.

All Seller agrees to furnish all necessary State and Federal inspection certificates.

All \_\_\_\_\_ agrees to furnish all necessary State and Federal inspection certificates.  
All \_\_\_\_\_ are to be delivered free of all encumbrances and with a clear title.  
Delivery is to be made on or about May 10, 1910.

Delivery is to be made on or about immediate buyer's (seller's) option, F.O.B. in sound merchantable condition at Scott Weeks' Den.

HEAD COUNT PRESENTED TO BUYER AFTER UNMERCHANTABLE CATTLE ARE CUT OFF SHALL NOT VARY  
5% FROM NUMBER OF CATTLE ON CONTRACT. ANY VARIANCE IN EXCESS OF 5% SHALL BE SETTLED AT

ALABAMA LIVESTOCK AUCTION, INCORPORATED - UNIONTOWN, ALABAMA		WEIGHT <i>345 lbs</i>
NUMBER OF HEAD	SELLER NUMBER	
1	10350	Scott Weeks
		<i>Cuthren</i>
BUYER		
PEN		
DATE	29455	WEIGHER



# FIRST BANK OF LINDEN

FOUNDED 1904

**LINDEN, ALABAMA 36748**

ALABAMA LIVESTOCK  
AUCTION INC  
P O BOX 279  
UNIONTOWN, ALABAMA  
36786

Date 11/12/2010

11/12/2010

**\*The item(s) listed below were presented for credit but have been returned for the reason indicated. Please update your records accordingly.**

**Account Holder:** Eastern Livestock Co., LLC

**Amount:** \$49597.28

**Reason:** REFER TO MAKER

\*061000146\*  
11/12/2010  
6611162447

This is a LEGAL COPY of  
your check. You can use it  
the same way you would  
use the original check.

RETURN REASON - S  
REFER TO MAKER

## **REFER TO MAKER**

<b>LE</b> <b>ASTERN</b> <b>LIVESTOCK CO., LLC</b>		135 West Market New Albany, IN 47150 812-949-9035	<b>No</b> 124980 7327 421
PAY TO THE ORDER OF		DATE      CHECK No.	AMOUNT
		10/11/01      124980	***49,597.28
ALABAMA LIVESTOCK AUCTION BOX 279  UNIONTOWN, AL 36786		 Fifth Third Bank Newark, Kentucky   SIGNATURE	

124980 10421002720 7480493779

124980

460421002226

2480493229

•0004959.7 28•